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June 14, 2005

Dear Member of Congress:

On behalf of American Shareholders Association (ASA) I wish to express this organization's strong support for the Central American Free Trade Agreement (CAFTA), which removes most barriers to trade between the U.S. and Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and the Dominican Republic. **I urge you to vote yes on this legislation and work to pass the bill as law. Given the important economic and national security implications of this vote, ASA will rate the vote in our annual congressional ratings.**

Due to the Caribbean Basin Initiative, these six countries can already import most products to the U.S. market duty free. CAFTA would give U.S. producers parallel access. Because of these new export possibilities, CAFTA will significantly boost economic growth, job creation, and shareholder value here in America.

Objections to CAFTA are not in line with reality. The U.S. sugar industry is one of the most heavily protected in the world, and as a result U.S. consumers pay three times the world price of sugar. CAFTA will increase the sugar import quota by 109,000 metric tons, lowering the price of sugar for consumers and other industries which use sugar as an input. On net, the U.S. will be much better off by introducing some competition into the sugar industry.

Many Central American apparel producers have historical business ties to the U.S. and also benefit from their close proximity. Opening up the textile markets will improve these relationships, increasing opportunities for U.S. textile producers. Without CAFTA, the U.S. textile industry will be more susceptible to competition from Asia and other parts of the world.

Moreover, free trade historically has raised living standards for all parties involved. CAFTA not only provides many benefits to the U.S., but will also promote growth, prosperity, and stability in the six other countries. While some have expressed concerns about environmental and worker protections, CAFTA prevents any weakening of current laws. In addition, increased economic growth is the quickest way to reach even higher standards. These countries have made many strides toward freedom and democracy, both of which are clearly part of U.S. interests abroad. CAFTA will solidify this success, and allow for an even stronger relationship in the future.

**Again, I strongly urge you to vote yes on CAFTA. ASA will rate this vote in our annual congressional ratings.**

Sincerely,

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Executive Director

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